

MEETING MINUTES

Office of Economic Development
Economic Development Advisory Board
57 E. 1st Street
Lower Level Council Chambers
Mesa, AZ 85201

Date: March 1, 2016 **Time:** 7:30 A.M.

MEMBERS PRESENT

Terry Benelli
James Christensen
Natascha Ovando-Karadsheh
Dominic Perry
Jeff Pitcher
Laura Snow, Chair
Jo Wilson, Vice Chair

EX-OFFICIO

Mayor John Giles (excused)
Chris Brady (excused)
Rich Adams (excused)
Brian Campbell
Jeffrey Crockett (excused)
Sally Harrison

STAFF PRESENT

Bill Jabjiniak
Julia Lichtenberger
Michele Freed
JD Beatty
Amy Trethaway
Ricardo Villa

MEMBERS ABSENT

Steven Shope (excused)
Robert Stanger (excused)

GUESTS PRESENT

None

1. Chair's Call To Order

Chair Laura Snow called the Economic Development Advisory Board meeting to order at 7:30 a.m.

2. Items from Citizens Present

None.

3. Approval of Minutes from the February 2, 2016 Board Meeting

Chair Snow called for a motion to approve the meeting minutes from February 2, 2016.

MOTION: Vice Chair Jo Wilson made a motion to approve the minutes

SECOND: James Christensen seconded the motion to approve the minutes

DECISION: The motion passed unanimously

4. Counts on College Presentation

Chair Laura Snow invited Amy Trethaway to give an update on Mesa Counts on College. Amy Trethaway, Executive Director of the Mesa Counts on College Access Center began her presentation. She introduced Program Assistant Ricardo Villa to the Board. Amy Trethaway detailed the mission statement for Mesa Counts on College. Mesa Counts on College is a collaborative alliance that cultivates college completion and workforce readiness in our community, through partnerships, to empower individuals and to improve the quality of life in our community. She indicated that they

partner with Mesa Public Schools and Mesa Community College. She further indicated that they had some new partners in United Way, A New Leaf, and several other community based organizations. Ms. Trethaway informed the board that their purpose is to increase college completion in the community of Mesa, specifically among low income residents, with limited or no post-secondary credentials. She also mentioned that although this is their target population, they are willing to serve anyone who is interested in increasing their post-secondary education. Ms. Trethaway then pointed out some statistics regarding what is currently happening in the community. Approximately 54% of Mesa Public School graduates attend college within the first year of graduating high school, but unfortunately more than half of those first year students will not continue their education to completion. She also shared that Mesa faces a high remediation rate, which means that Mesa's students leave high school unprepared for college success, especially in Math, English and Reading.

Question: Chair Snow asked how this number compared to national rates.

Answer: Amy Trethaway answered that the numbers are very similar across the United States, but mentioned that there are pockets of communities that have more successful college-going rates. She pointed out that Mesa is not too far below what is seen across the country. However, she indicated that in terms of what they would like to achieve in the community, she would like to see these numbers rise.

Question: Chair Snow asked what the main barriers seem to be.

Answer: Amy Trethaway stated that she would be addressing this in her presentation. She then continued her presentation.

Ms. Trethaway mentioned the four key indicators they have discovered in their research. These include: PSAT/SAT Prep and Performance, College Going Culture, 8th Grade Math Scores and Individual College Advisement. She stated that if Mesa wants to have a higher college going rate, they need to focus on these four areas.

In the area of PSAT/SAT Prep and Performance, they have learned that not enough of Mesa's students take the PSAT. In addition, she added that they also need to increase the scores of Mesa Students on the SAT test. To address this concern, they have invested approximately \$80,000 in an SAT Prep program. They have taken the SAT Prep program, eliminated the \$900 cost per student, and allowed the MPS students to sign up for the course. This course guarantees an increase in their performance by 200 points. This program is provided to them in partnership with Princeton Review. This is funded through a grant they received from the Salt River Pima Maricopa Indian community.

Question: Jeff Pitcher asked if there was an ACT version of this prep program.

Answer: Amy Trethaway answered that thus far they have only focused on the SAT test. She indicated that nationally many colleges don't have a preference for one test over the other, so initially they have focused on the SAT. She pointed out that between the two tests, the SAT is the one that most students typically feel most comfortable taking. They will eventually offer some ACT programming.

Question: Brian Campbell applauded Amy and her team on providing the PSAT/SAT preparation. He expressed his belief that this was a critical component. He discussed some nationwide studies that show that as the test preparation industry has grown exponentially in the past 15 years, the minority candidates have dropped off, due to the fact that the test prep phenomenon is creating a separation between the college going people and the ones who are not likely college bound. He asked if they have observed this same phenomenon in Mesa.

Answer: Amy Trethaway answered that she didn't believe the distance could be attributed to the test prep industry, but that this performance gap was already in place in the Mesa area between the minority and non-minority students.

Question: Dominic Perry indicated that when discussing college readiness, it was important to consider what is happening in K-12. He asked if Mesa Counts on College was interfacing with Mesa Public Schools.

Answer: Amy Trethaway stated that all the participants in the SAT prep program are all from Mesa Public Schools. In terms of interface, she acknowledged that they partner with them on a regular basis. They are in the schools, talking and working with counselors, talking to students, and helping them interpret their PSAT results. This week, they are spending the entire week at Mesa High during lunch, in an effort to meet students and help them understand their PSAT scores, so they know what to do with those results and will be able to improve their scores in the future. They are teaching them that their PSAT score is connected to their opportunity to become a National Merit Scholar. In addition, the students are often in the College Access Center. They are also doing some interfacing with junior high students. She pointed out that the conversation about college should begin at junior high age.

Question: Dominic Perry asked how much of their outreach was toward the bilingual population.

Answer: Amy Trethaway answered that they were definitely reaching out to the Hispanic population. She mentioned that everything in the Access Center is offered in both English and Spanish. She told the Board that they also have an interpreter on staff and readily available. She indicated that Ricardo also speaks Spanish. She pointed out that they also provide materials and presentations in Spanish to reach this demographic.

Amy Trethaway stated that another key indicator was helping to create a college going culture in Mesa. She told the Advisory Board that the students in the low-income community do not feel like they are college material. Ms. Trethaway told the Board that she and her team are trying to change this mindset. They are trying to talk to the families and educate the counselors and the students about college and what it could mean to them in terms of future success. College for some of these students could mean a two-year completion of a trade school like cosmetology school or mechanic school. She finds that sometimes sharing these other possibilities with the students is helpful, as the thought of a four-year university experience seems overwhelming to many of these families. She and her staff are trying to open up the conversation in a way that provides these students and their families with the possibilities available for some type of post-secondary education, and that it is something they can afford and is available to them. She said that it takes a lot to change an entire culture, but they are targeting communication as a way to open up a dialogue to speak about the importance of education. Amy Trethaway shared that she and her team attend community events, one of which was an event held at Kino Junior High. At these events, they try to speak to families about the benefits of education for their teenagers.

Another key indicator they have recognized is 8th grade math scores. In 8th grade, students make the jump from math to Algebra. In Mesa, they are seeing that there is a lag in the 8th grade math scores. They are trying to address that lag, and help students transition from 8th grade math into high school math successfully. A student's performance in 9th grade Algebra is indicative of future performance in college, as well as their performance on the SAT. One of the strategies they have proposed to deal with this problem is a summer remediation math program that they would run out of the Access Center. Ms. Trethaway conveyed that Mesa Public Schools already has a great system of tutoring in place. She also indicated that they have looked nationwide to see what college readiness indicators look like and they have mirrored their activities accordingly. The data exists to support these key indicators.

Question: Brian Campbell stated that he believes the 8th grade math component is of particular importance to the Economic Development Advisory Board. He stated this is the metric that is driving their efforts to retain quality jobs and to develop a higher quality workforce. He indicated his concern with the statistics showing that 56 percent of students are in need of mathematical remediation. He pointed out that this type of number effectively eliminates any type of S.T.E.M. related field as a career possibility. He sees this math gap and feels it is accelerating. He discussed other competitor states that are targeting Algebra to begin in the 8th grade, which places students on a track so they will have Calculus by the time they are seniors, if they are going into S.T.E.M fields. He asked what sort of numbers Ms. Trethaway could provide in this particular area.

Answer: Amy Trethaway acknowledged that they don't have a lot of traction in this area yet, as this area has only recently been recognized as an indicator. They have just started to discuss and take a hard look at this area. She admitted that they had not made an impact in this area as of yet, but they are strategizing and looking for ways to address this area of concern. In regards to S.T.E.M, she mentioned that they have a partnership with the East Valley Hispanic Chamber to run a summer program that is built around S.T.E.M. careers. However, she mentioned that this doesn't address the math issue. She feels that this indicator should be delved into as a community, in an attempt to provide a solution for this concern.

Question: Terry Benelli asked if the summer program Ms. Trethaway just mentioned provided transportation for the students.

Answer: Amy Trethaway answered that transportation can be arranged.

Amy Trethaway mentioned that the last key indicator was Individual College Advisement. This is the one-on-one communication with the students about college. In the advisement process, they try to match the student to the college that best fits them. Some of the students come in and think they are only capable of attending community college, and they talk to them about the possibility of a university experience and how they might fund this option. They explain financial aid and the scholarship process to open up their eyes beyond the community college.

Question: Natascha Ovando-Karadsheh asked what percentage of the students that drop out after their first year, are doing so because of financial needs. She asked if there was any way to track this information.

Answer: Amy Trethaway conveyed that they receive data from the National Student Clearinghouse and they don't get the "whys," it only provides the "what." If she were to surmise, she would say that the problem isn't strictly financial, but is more often related to life issues. A student might have to take a job to support their family or they have some kind of personal crisis and school takes a backseat. Financial aid, and the lack thereof, is not the only reason why students aren't successful in college.

Comment: Jo Wilson shared from her experience at Benedictine, where they are currently serving 80 percent first generation students, a student dropping out is rarely due to finances. Especially within the Hispanic population, it is usually a student needing to support their family or something of a personal nature that removes them from school.

Answer: Amy Trethaway indicated that it might be something as simple as a car that stops working. When this happens, her team tries to help with finding the student a bus pass or a bicycle.

Comment: Jo Wilson indicated that many students see financial aid as an initial stumbling block before they actually begin the college application process.

Amy Trethaway said that when a student comes in to the Access Center, they talk to them about how to receive financial aid and how to apply for scholarships. This typically makes the student feel a little better about their chances of getting into college. Mrs. Trethaway and her staff then discuss ways in

which they can stay in school. She mentioned that the population they are trying to reach includes junior high and high school students currently in Mesa Public Schools and also in neighboring districts. They have had districts in Tempe and Chandler reach out to them about working with their student population. Ms. Trethaway shared that they also try to reach parents and families, because first generation students have a difficult time convincing their families that they need to go to school. The Access Center also helps re-entry adults and they also run a GED program out of the center. They have seen the need for low-cost, flexible GED attainment programs. Currently, they run a class Monday through Friday, from 8:30 to 11:30, and anyone can take the class. The cost for the class is \$10.00. Ms. Trethaway detailed what they hoped to accomplish next. They desire to develop programming and partnerships to address the 8th grade math indicator and they also want to develop additional summer programming to address the SAT prep through the summer months. They also want to expand their servicing and staffing at the Access Center. Additionally, they desire to have an outreach team that can go out into the schools. Although, the students like to come to the center, the schools appreciate it when they can come out and meet with them at their individual schools.

Question: Chair Snow asked if there was any way to leverage success stories that have come as a result of the Access Center. She suggested bringing in people from the community that have achieved success as a result of these programs and having them share their success with others.

Answer: Amy Trethaway thought this was a great idea. She told Chair Snow that they have had a number of poignant success stories and that this was definitely something they could consider doing.

Question: Brian Campbell referred to the 8th grade math indicator and its importance in developing a strong workforce. He asked if Amy Trethaway and her team had any kind of timeline for when they might roll out plans to address the 8th grade math indicator.

Answer: Amy Trethaway shared that they have a preliminary development plan which was developed by a member of her staff. They hope to have something concrete by the end of the fourth quarter of 2016.

Question: Brian Campbell asked if they had identified aspirational goals in regards to what they would like to see happen.

Answer: Amy Trethaway indicated that their goals centered around communicating and partnering with the school district to find out how they can supplement what they are already doing. They want to find a way to best support the school system in their processes internally within the school district. Once they have done this, they will look at what they might do in terms of their own programming.

Comment/Question: Brian Campbell applauded Ms. Trethaway's efforts to partner with MPS, but he wanted to make sure that when they are setting aspirational goals, that they consider different foundations that might be of help to their organization. He asked if they had goals that they were aiming for.

Answer: Amy Trethaway answered that their desire is to have 90 to 100 percent of their students transitioning from 8th grade math into high school Algebra successfully.

Comment: Brian Campbell shared that other states are not only succeeding in that 9th grade Algebra class, but they are already a year ahead of Mesa, as they are starting Algebra in 8th grade. He thought if they looked at this issue from a comparative standpoint, they might clearly see the critical nature of this issue.

Answer: Amy Trethaway agreed that it is a critical issue.

Question: Dominic Perry asked if they were targeting other school districts that have Mesa residents. He asked if they had any idea how large a group this actually was.

Answer: Amy Trethaway acknowledged that she didn't know an actual number, but stated that there are many students who live in Mesa, but attend a Gilbert school. She also indicated that Mesa has many students in charter schools and they are working with those schools as well. The charter schools are very interested in this type of support.

Comment/Question: Jo Wilson commended Amy Trethaway for her work. She indicated that the funding for this program had come out of the Bill and Melinda Gates grant. She pointed out what a wonderful job Amy Trethaway had done, considering she didn't come on board with a knowledge of higher education. However, Vice Chair Wilson pointed out that Ms. Trethaway came in and listened and learned and has done a very good job of where she has taken the center up to this point. Vice Chair Wilson then asked, from an economic development standpoint, what Ms. Trethaway is seeing in terms of student interest and where they desire to be in the workforce. She wondered if this was consistent with where their workforce needs are in Mesa.

Answer: Amy Trethaway sought to clarify if she was asking for a theme in terms of what types of subjects they want to study when they come into the center.

Question: Vice Chair Wilson asked what area the students wanted to pursue from a career standpoint. Was it engineering, manufacturing, etc.

Answer: Amy Trethaway answered that she sees a lot of interest in business, engineering, and science. She indicated that they have a lot of female students that are high performing in math that are interested in science. They also have some students with an interest in medicine and some that desire to be teachers.

Question: Vice Chair Wilson asked if these young people were staying in-state to go to school.

Answer: Amy Trethaway answered that most of the students they help go to school in-state. She indicated that they might have the ability to run a report and show the areas of student interest if the Board might be interested in having that information.

Question: Terry Benelli asked how many students the center was currently serving.

Answer: Amy Trethaway answered that since they opened in August of 2015, they have seen about 630 new registered students. Ricardo Villa shared that they are averaging 90 new registered students per month. He pointed out that with the database they have, they can't determine how many of these students are coming back for return visits. Ms. Trethaway pointed out that this is higher than the number they predicted.

Question: Terry Benelli asked if they knew the percentage of low income students being served. She asked if the students usually shared this information with the center.

Answer: Amy Trethaway answered that the students do indicate this. Ricardo indicated they rely on self reporting when they fill out the registration form. Mr. Villa stated that the last time he ran the numbers from the registration forms, the number of low income students was around 48 percent. Their status as low income is based on their household income or their qualification for free and reduced lunch. He further indicated that some of the students don't know this information. Amy Trethaway mentioned that they try and get as much of this demographic information as they can when a student registers.

Question: Terry Benelli asked what community partners they were working with outside of the school to try and reach into the low income neighborhoods.

Answer: Amy Trethaway answered that one of their community partners is A New Leaf. They also work with United Way, Save the Family, and the Salt River Pima Maricopa Indian community.

Question: Terry Benelli asked if they had a relationship with either the Mesa Arts Academy or the Boys and Girls Club or CARE (Community Asset and Resource Enterprise) Partnership.

Answer: Amy Trethaway indicated that they have not worked with any of those.

Comment/Question: Terry Benelli indicated that these organizations are all in Mesa and near the center. She said that they are all organizations that support children through elementary school. She thought this type of mentoring program, which is already going on, might be advantageous for Ms. Trethaway's program. She then asked if they were involved in the IDA (Individual Development Accounts).

Answer: Amy Trethaway answered that they are involved with these accounts.

Question: Terry Benelli asked what percentage of the students were taking advantage of these accounts and if she knew the rate of savings.

Answer: Amy Trethaway stated that she didn't know the numbers because A New Leaf takes the IDA applications, but that everyone that comes through the center receives the information about the accounts.

Question: Terry Benelli asked if Ms. Trethaway thought the program was at capacity.

Answer: Amy Trethaway stated that it was not at capacity.

Question: Brian Campbell asked what the Board could do to help Ms. Trethaway and the Access Center.

Answer: Amy Trethaway suggested that as the Board talks about economic strategy, and they look at increasing the City's capacity in that way, that the Board would keep the center in mind in terms of education. If the Board needs information or research done on education or if they want numbers run on the school districts and their performance, she suggested they reach out to them for this information. She really wants the Board to use them as a resource. She also mentioned that she is involved in the Mayor's Early Education task force, in an effort to look at education as a whole as a strategy for the community.

Chair Snow thanked Amy Trethaway for her presentation.

5. General Plan 2040 – 1 Year Review as it pertains to Economic Development

Chair Snow invited JD Beatty to come forward and make a presentation on the Mesa 2040 General Plan Update.

JD Beatty, Project Manager with the City of Mesa Office of Economic Development, began his presentation. He indicated the background for this presentation is the Mesa 2040 General Plan from the Planning Department. He told the Board that input was recently sought from the Office of Economic Development on the update, specifically on Chapter 5: Growing and Maintaining Diverse and Stable Jobs. He mentioned that this was an important piece of the General Plan. He indicated that they had identified one policy and five strategies that they have sought to address. Over the last calendar year, they looked at how Economic Development has worked to partner with Planning, as well as how they can implement policies and strategies to assist the Planning Department in achieving their goals. He shared the first policy, which is: Preserve designated commercial and industrial areas for future job growth. In the Economic Activity Areas, requests for changes from non-residential to residential will include review and comment by the Economic Development office and could also be referred to the Economic Development Board for recommendation.

JD suggested that the Board keep these policies and strategies in mind as he moves forward to detail what has been done previously. He shared the five strategies:

- Strategy #1: Uphold a business service approach that facilitates the successful attraction, expansion, and retention of businesses in Mesa.
- Strategy #2: Continue to develop the educational resources available in Mesa and work with education providers and industry leaders in an effort to provide skilled workers for Mesa businesses and to assist students in moving from the classroom to the workforce.
- Strategy #3: Create interesting and exciting neighborhoods and commercial, educational, and cultural amenities that attract and retain executives and professionals.
- Strategy #4: Continue to develop and enhance local regional, national, and international alliances and collaborations to advance Mesa's economic development strategy.
- Strategy #5: Continue to develop and expand our comprehensive transportation, communication, and infrastructure systems to ensure efficient movement of commerce and information.

JD Beatty provided a slide regarding Policy #1 entitled "Preserving Key Employment Areas." This has been one of the most important pieces to come to the forefront as they have worked with Planning. He indicated that there are many parts of the City, where certain areas may become encroached upon for residential development, in areas where the OED feels that they should convey to Planning that these areas would be better reserved for employment and/or Mixed-Use, Industrial or Commercial development, in an effort to create jobs. In 2015, the OED Staff internally reviewed 99 Pre-Submittal Applications. This was a new forward-thinking initiative that they have recently begun, wherein they review applications that come before the Planning and Zoning Department. Of the 99 Pre-Submittal Applications, the OED attended 20 Pre-Submittal conferences. From those conferences, they provided one Letter of Support for a Pre-Submittal Application, one Letter of Support for a PAD Amendment, and two Letters of Opposition for Pre-Submittal Applications. The Office of Economic Development has sought to increase the communication within Economic Development and Planning. They are a key internal partner for getting projects done. JD Beatty then pointed to some statistics from a slide entitled "Performance and Planning." He provided details on the metrics for the last calendar year. He indicated that they believe that the performance of the OED is closely tied to Planning and being able to get projects completed. He pointed out that zoning is a major component of any piece of any project that comes through the City and it is often a major concern for businesses. Out of the 27 locates/retentions in 2015, he told the Board that approximately 16 involved significant input from Planning and Zoning.

JD Beatty provided information about Significant 2015 Job Creating Projects. This information relates to Strategy #1. He shared that the following businesses have located in Mesa: KSport (84 new jobs), Santander Consumer Services (970 new jobs) and Special Devices Inc. (175 new jobs). He indicated that these three projects required substantial assistance from Planning and Zoning. He indicated another component of Strategy #1 was the Elliot Road Technology Corridor Planned Area Development Overlay. He told the Board that this was one of the key initiatives that OED put forth to look at reducing entitlement risk and expediting the development process. In this case, the OED was the applicant to the Planning and Zoning department and Planning and Zoning helped the OED work through the process of taking a large, key area of Mesa and preserving it for employment and industrial development. This overlay is reducing the timeline from up to six months to only weeks. He pointed out that it is designed to attract tenants and quality development. Mr. Jabjiniak told the Board they

have the first project that is taking advantage of the overlay, which is the 92,000 square foot Dignity Health Hospital at the Northwest corner of Elliot and Ellsworth. With the success they have had, it has allowed the OED to look at other areas of the City for similar overlays, including South Gateway Industrial Area, Falcon Field and Fiesta District.

Question: Brian Campbell stated that the success of the Elliot Road Technology Center PAD was fantastic. He applauds the idea of exploring that concept and expanding it into other areas. He asked if Mr. Beatty had any timeline in mind and if they might have a concept plan for some of the other areas anytime soon.

Answer: JD Beatty deferred to Bill Jabjiniak to answer this question further, but he mentioned that South Gateway is the first one and is being looked at currently.

Comment: Bill Jabjiniak shared that the concept behind the Elliot Road Technology Center PAD is good, but they are still not completely satisfied with the results. They are currently looking at Infrastructure improvements. Legal has indicated they need to weigh-in differently and they would like to amend the zoning ordinance. He said they are currently gathering funds for street improvements in the area, so that it will be obvious to anyone when you arrive at the Elliot Tech Corridor. There will be branding and roadway improvements such as curbs, gutters and sidewalks. Mr. Jabjiniak stated this would be taking place in the next 12 months. They have found that Falcon Field has a tremendous amount of zoning flexibility. Fiesta District has taken off quicker than expected, but the zoning overlay may not be what they want in that particular area. There are other tools they have in place for that area. He then brought up the South Industrial area and provided some information regarding this piece of land. He liked the tool of zoning overlay, but he indicated that they would be seeing some changes made by Legal. He said they are meeting monthly with the Planning Director and his boss to try to stay coordinated on key projects that are coming to the forefront.

JD Beatty continued his presentation and referred to a slide with information on Education and Workforce. This ties in with Strategy #2. He pointed out that the most involved partnership that they have had is with Mesa Educates U. This program has looked at providing cooperative marketing partnerships to attract universities to Mesa. Examples of this are Benedictine, Wilkes and Upper Iowa. He reminded the Board that this ties back to how the OED is strengthening education and workforce, in an effort to help create jobs in the future. He also mentioned Mesa Business Educational Alliance (MBEA). This program is through the Chamber of Commerce and seeks to connect business, education, and government leaders to help match the skills that employers are looking for. He also indicated that ASU Polytechnic, EVIT, and MCC are other Major Educational Providers. They often partner during Business Retention and Expansion (BR&E) visits. One of the frequent questions asked during BR&E visits is if there is an adequate labor force. Next he discussed Strategy #3. One of the initiatives that the OED has been working on is What Works Cities. This is the ability to utilize data to reinforce critical decision making geographically. He shared the three Key Performance Indicators: Downtown Vibrancy, Prosperity and Transforming Neighborhoods. These indicators aim to improve Downtown Mesa, improve the economic and educational health of the city, and create involved and resilient neighborhoods.

Question: Natascha Ovando-Karadsheh indicated she found this interesting from a real estate perspective. She asked if there was a way to measure interesting and exciting neighborhoods. She mentioned that she feels that a lot of business is lost to Gilbert from a residential standpoint, because Gilbert has a lot to offer in the way of interesting and exciting restaurants and amenities. She asked if they currently track the number of movie theaters, restaurants, etc. to define which neighborhoods are interesting. She said this seemed to apply only to blighted areas and Downtown, but wondered where the exciting, interesting neighborhoods are that will retain the executives and professionals, since Mesa's Downtown is not very residential.

Answer: Bill Jabjiniak acknowledged that Ms. Ovando-Karadsheh makes a great point. He pointed out that Mesa is very different from east to west. He mentioned that an environment has to be created and there has to be a vision. In Downtown, or anywhere else, it is about creating a vision and then being able to sell that vision. One of the biggest downsides of the Downtown area in Mesa is the income demographic. If you want a high-end grocery store, you have to have the demographic to support it. He acknowledged that they don't really measure this, as they focus primarily on jobs, but he sees the benefit to having exciting and interesting neighborhoods.

Answer: JD Beatty said that What Works Cities is attempting to take a look at hard data that is being gathered in different departments and overlaying that to look at different areas of the city and to identify areas where the city can implement programs across a number of departments that could help bolster a neighborhood.

JD Beatty continued his presentation by mentioning AZLabs. He indicated that this is a kind of commercial amenity for the Gateway area. He shared that it is a highly unique city-owned commercial asset, managed by the OED. In 2015, there were 11 new leases, creating over 100 high-wage jobs. Next, JD Beatty provided a slide entitled "Building Strong Partnerships" which relates to Strategy #4. Some of their partners are Greater Phoenix Economic Council (GPEC), Arizona Commerce Authority (ACA), and Arizona Association of Economic Development (AAED). Those partnerships led to 65 national and international leads in 2015, which led to 29 site visits with prospective companies. He also shared that they are working on expanding their audiences by attending different trade shows, giving them the chance to get in front of different industry sectors like aerospace, the real estate community and medical devices. These types of events help build the brand of Mesa and expands who they are reaching and what companies they are getting in front of. He then discussed Strategy #5, which has to do with Transportation and Infrastructure. He mentioned the Light-Rail Extension which has increased interest in Mesa. They have seen an increase in interest in transit-oriented development. He indicated that infrastructure, in general, for water, sewer, and natural gas continues to be an important key as they make sure they continue to have infrastructure in place in the future.

Question: Terry Benelli asked about a Temporary Relief Permit that came up on a property located on Main and Country Club for an auto-centric business. She asked if this was something that would have come through Economic Development or if that was strictly related to Planning and Zoning. She mentioned that in the Central Main Plan it states that "auto-centric businesses shouldn't be at a transit station." She indicated that there was a request made for a 10 year Temporary Use Permit for an auto business.

Answer: JD Beatty answered that he hasn't heard about this Temporary Use Permit request. He said he could look into the matter.

Comment: Terry Benelli said the hearing was supposed to be this week, but it has been postponed.

Comment: Brian Campbell said that this issue coming up at this meeting was a great illustration of the fact that they only occasionally hear of this type of problem. In the past, this type of thing came up a lot and he is relieved that they don't hear problems like this very often, now that they are practicing better communication between the departments.

Comment: Terry Benelli suggested doing a refresher with the transit-oriented development guide that the Advisory Board developed. She didn't know if a Temporary Use Permit actually would have to go through the Pre-Submittal process.

Comment: Bill Jabjiniak said that he wasn't sure that it would go through the Pre-Submittal process.

JD Beatty continued his presentation by provided statistics on light rail usage and the impact the Mesa stops have had. He indicated that there had been a 7.9% increase in overall ridership compared to ridership in October of 2014. There were 195,416 total Mesa boardings (which is 13.58% of the total) and 148,359 weekly Mesa boardings. Mesa has 7,418 riders per weekday, an increase in ridership from October of 2014 of 4,355. As they continue to work with Planning, they will be marketing this as an asset. JD Beatty concluded his presentation.

Chair Laura Snow thanked Mr. Beatty for his excellent report.

6. Director's Report

Bill Jabjiniak told the Board that March brings Spring Training to Mesa. He indicated that a large amount of sales dollars come in from Spring Training. He shared that there are 30 games this year between the two stadiums. He pointed out that the Advisory Board had been invited to attend a game. He also stated that there is a special Opening Day event on Friday, March 4. The Cubs will be hosting a couple of key employers from the City of Mesa. He mentioned some trips that OED staff has been involved in. He mentioned that this coming Friday, they would be reaching out to site selectors. He indicated that he would like the Advisory Board to tour AZLabs at some point in the future, but due to open meeting laws, they might have to be creative in the way they go about this, and they will have to give proper public notice.

Comment: Brian Campbell shared his concern about the open meeting law and how difficult it is to work around. He suggested breaking up the group so they didn't create a quorum, then they wouldn't have to provide notice of the meeting.

Bill Jabjiniak indicated that they would continue to work this out so that the Board could have a tour. He provided the Advisory Board with information about 60 acres to the west of the Falcon Field airport. He mentioned a zoning case that had stipulations placed on it which were somewhat restrictive, but they have found in talking to different groups and industry leaders, that there is an interest in medical devices and medical technology in general. He said that they are exploring the idea of running a Falcon Tech Park. They would not be changing zoning, but just changing the stipulations to allow a change in lot lines to accommodate potential interested parties. He pointed out that Staff has showed great creativity in how best to utilize the 60 acres in a proper way, working with the neighborhood and the airport, in creating some flexibility for the end user. He will discuss this before Council on Thursday. He briefly discussed a visit that took place about a year ago from the Phoenix Chamber of Commerce. They presented to Sally's board regarding business retention. The Phoenix Chamber has raised a lot of money and they desire to outreach beyond Greater Phoenix in an effort to identify the needs of larger employers. He indicated that his office was very open to the Phoenix Chamber, but that other neighboring communities have not been so receptive to them. He said that businesses were starting to feel overwhelmed with business retention visits by so many different entities. He said they are trying to figure out how best this could all work together and what the Phoenix Chamber will be doing with the information they gather. He shared that GPEC is now trying to coordinate all of this with the Phoenix Chamber.

Comment: Sally Harrison stated that the last time she met with them, they were talking about having M.A.G. house the information.

Question: Terry Benelli asked if this was part of GPEC and Velocity.

Answer: Bill Jabjiniak said that it was not related. He indicated that it was a separate initiative pushed by the Phoenix Chamber of Commerce.

Question: Terry Benelli asked if Velocity was redundant.

Answer: Bill Jabjiniak answered that it was not. The two programs have very different purposes.

Comment: Brian Campbell said the Velocity program was still struggling with the funding mechanism at this point. Velocity is a program made up of two parts: The first is an education piece, primarily focused at ASU, to help grow the number of engineers. The second focuses on the creation of one or more "Centers of Excellence," similar to the Chicago Manufacturing Center, which would bring groups together. He pointed out that the Business Retention and Expansion effort that the Phoenix Chamber is engaging in, is a completely different area. Velocity is geared toward new creation, focusing on the applied technology platform, more like the Polytechnic-style campus. He said the challenge with Velocity is finding the funding mechanism.

Comment: Brian Campbell asked if he could share some additional information regarding GPEC. He stated that the Mesa School District is seen as a star, when compared with the metrics that Dr. Cowan is faced with. From a funding standpoint, the numbers were in the bottom 10 percent, but performance numbers nationally were almost at the mid-point. To be able to get that much good out of so little money is starting to get some attention. GPEC is looking at ways to support the Mayor's initiatives in education, because East Valley schools, with the great infrastructure already in place, can really move the needle. The incoming chair of GPEC is Chris Zaharis. He then referred to the Governor's new economic development plan that he had recently rolled out.

Bill Jabjiniak said one of the biggest questions he has been hearing is "Where is ASU going in Downtown Mesa?" He told the Board that this decision has not been made. They are looking at different alternatives.

Question: Dominic Perry asked how big ASU's footprint would be.

Answer: Bill Jabjiniak answered that this is also being determined. ASU is still trying to determine which programs will be housed there, but they could be looking at needing as much as 200,000 square feet. He indicated he expects that they will know something by May.

Bill Jabjiniak mentioned that a week and a half ago, Staff came in and was discussing the Redevelopment area expansion. They have one redevelopment area with the Central Business District today. They are proposing to expand the area going down Country Club into Fiesta, in an effort to spur some additional development in the area. He stated that when they presented to Council, the momentum took over and now in addition to this expansion area, they have now been tasked with a total of three expansion areas. The additional areas are: going west along the light rail and going east along the light rail to Gilbert Road. Mr. Jabjiniak indicated they will need to determine which area to work on first, because they can't work on them all at the same time. He also pointed out that it is an expensive proposition that he doesn't have resources for. He also indicated that this would be pushing the limit of 7.2 square miles allowed to be designated as a redevelopment area. He acknowledged the benefit of having economic development tools. He pointed out that his staff had been busy and they were actively recruiting to replace Shea, who started his job at the airport yesterday. The position has been upgraded and they are now recruiting for a Deputy Economic Development Director for Strategic Initiatives.

Comment: James Christensen said that he knew that they didn't typically focus on retail, but he wondered what they were doing to create the type of draw that is being seen in downtown Gilbert. He suggested that Mesa's draw was Downtown Mesa with the light rail and the Mesa Arts Center. He pointed out that Central Phoenix is booming with exciting restaurants. He mentioned that he sees lots of people moving into Phoenix. He stated he has lived for many years in Las Sendas, but there is very

little in terms of the retail side in that area. He thought that it might be a good idea to focus on the retail component.

Comment: Natascha Ovando-Karadsheh said additional development would depend on how the Kneaders fares. She mentioned she thought that Dana Park can still stimulate and be an attraction piece for Mesa.

Bill Jabjiniak stated that in order to attract the right restaurants and retail you have to have the appropriate demographic. He pointed out that in their conversations with higher-end retail, this group is looking at the housing and schools and they also look for an appropriate retail environment. Mr. Jabjiniak stated that it is key to push the right housing product and create the right environment. He pointed out that this is how decisions are being made in today's environment.

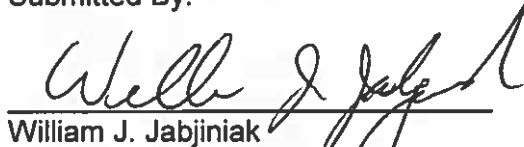
7. Other Business

Chair Laura Snow announced that the next meeting would be April 5, 2016.

8. Adjournment

Chair Laura Snow adjourned the meeting at 8:59 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director
(Prepared by Debbie Frazey)

